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CENTRAL INTELLIGENCE AGENCY  
Washington, D. C.

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Notice No.

7 January 1952

SUBJECT: Administration of Agency Funds

1. With the present necessary expansion of the Agency it becomes increasingly important that those persons authorized to obligate and expend funds take appropriate precautionary measures to assure in each instance that the expenditures contemplated are necessary to fulfillment of the Agency's objectives; are in accordance with established Agency policies and procedures; and are consistent with the amount and purpose of funds allotted.

2. The Offices concerned are responsible for limiting obligations and expenditures to the amounts allotted by the Comptroller and for assuring that all obligations and expenditures are in accordance with CIA [redacted] where appropriate. It is requested that the Assistant Directors take whatever steps are necessary to assure that each employee to whom they delegate responsibility for the obligation and expenditure of funds is fully aware of these regulations in order that in each instance Agency funds will be administered in accordance with established policies and procedures.

3. Each proposed obligation and expenditure should be carefully reviewed to assure referral where appropriate to the Projects Review Committee in accordance with [redacted] 4 May 1951, which provides:

"The Project Review Committee will review all area or activity projects:

- (a) Which involve deviations from and/or additions to detailed budget presentations.
- (b) Which are described in the budget under broad general authorizations without specific supporting project details.
- (c) For research and development projects involving contracts within the United States prior to execution."

In determining whether items should be submitted to the Projects Review Committee under (a) and (b) above the term "budget" shall be defined as those estimates prepared and submitted in writing annually by the Assistant Directors, pursuant to the intra-agency Call for Estimates issued by the Comptroller, and reviewed and approved in accordance with the procedure outlined in CIA [redacted] Questions regarding the application of (a) and (b) above to proposed obligation and expenditure actions shall be referred to the Comptroller for determination as to whether prior approval of the Projects Review Committee is required.

[redacted]

(a) Prior approval of the Projects Review Committee of any proposed general administrative expense involving the purchase of special or unusual equipment or supplies and materials unless specifically provided for in projects previously approved by the PRC. This includes purchase of or contracting for such items as airplanes, boats, special equipment, real property, and construction.

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tion, or other items which are not commonly purchased or contracted for by the Government for the conduct of its normal operations.

(b) Resubmission to the Projects Review Committee for review and approval of any previously approved project for which it is proposed to expend funds in excess of the amount originally approved or to change or supplement the purpose for which the expenditure of funds was originally approved.

(c) Under no conditions shall the unexpended balance of a project be used to expand another project beyond the amount originally approved by the PRC without resubmission for prior review and approval as required under (b) immediately above.

5. It is recognized that there will be many borderline cases for determination as to whether the obligations and expenditures contemplated are within already authorized project budget limitations or whether they should be submitted to PRC for review and approval. However, it is believed that by consulting with the Comptroller with respect to questionable items as they arise, that the questions can be resolved and the proposals when appropriate can be channeled through PRC in accordance with the purposes for which the Committee was established.

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